

INTERIM IRM PROCEDURAL UPDATE

DATE: 02/01/2012

NUMBER: WI-21-0212-0309

SUBJECT: Provided Clarification in Communication Skills and Form 8938, FACTA Out of Scope

AFFECTED IRM(s)/SUBSECTION(s): 21.1.1

CHANGE(s):

IRM 21.1.1.7(2) - Provides clarification on identifying the IRS and the use of IRS jargon.

2. You must provide, in a professional and courteous manner, the following information when you communicate with a taxpayer:
 - By telephone or face to face contact, advise that this is the Internal Revenue Service (IRS), provide your Title (e.g., Mr., Mrs., Ms, Miss), Last Name, and Identification (ID) (Badge) Number or, if the IRS HSPD-12 (SmartID Card) is issued, use all 10 digits of your Personal Identification (PID) Number, **OR** your First Name, Last Name, and Identification (ID) (Badge) Number or all 10 digits of your PID Number if the IRS HSPD-12 (SmartID Card) is issued. **Do not accept any collect calls.**
 - By correspondence, provide your generated Integrated Data Retrieval System (IDRS) or other unique letter system number. If an IDRS /unique number is not generated, use your ID Card (Badge) Number or all 10 digits of your PID if the IRS HSPD-12 (SmartID Card) is issued. Do not use IRS jargon when communicating (either speaking or correspondence) with the taxpayer.

IRM 21.2.2.7(9)(d) - Explains to thank the caller when returning to the taxpayer.

9. Provide assistance.

- a. Provide accurate and complete information. Explain any procedures and order necessary forms and publications.
- b. If you research the account, make sure you have covered all open issues.
- c. If you are unable to research the account, refer the question in accordance with proper referral procedures.
- d. If you must put the caller on hold while researching the account, use the hold feature, not the mute feature. Do not keep the caller on hold for more than approximately five minutes without giving him/her an explanation

and apology. Advise the caller of the reason for the delay (e.g., additional research needed, etc.). If additional research time is or will be too lengthy, offer to return the call with the information requested.

NOTE: Remember to *always* thank the taxpayer for holding, tell the taxpayer your reason for putting her/him on hold e.g. additional research needed and remember to ask permission to place the taxpayer on hold. When returning to the call after the hold period, thank the taxpayer again for holding.

IRM 21.1.1.7(12) - Updated the Probe and Response Guide link.

12. To ensure that you provide quality service, when assisting callers who visit in person or who call on the telephone, you are required to use the available ITLA Tax Law Categories (TLCs).. The ITLA enhancement to the Probe and Response Guide replaces several pages in the P&R Guide.

Exhibit 21.1.1-1 - Added Form 8938, Statement of Specified Foreign Financial Assets Foreign Account Tax Compliance Act (FATCA) as Out-of-Scope.

International (includes Advanced Int'l)

- Alternative Minimum Tax foreign tax computation
- Branch Profits Tax—foreign corporations with branch in US. Any question beyond requirement to file 1120F, due dates would be out of scope
- Deemed paid foreign tax credit
- DISC
- E-commerce
- Earnings & Profit of foreign corporations
- Entity Classification Election—anything beyond telling TP about F8832 & where/when to file is out of scope
- Expatriates Extraterritorial income exclusion
- FISC
- Foreign Corporations including Foreign Sales Corporations—foreign corps that specialize in international trade
- Foreign currency exchange rate gain– Section 988
- Foreign Trusts
- Form 8865, Information Return of US Persons with respect to Foreign Disregarded Entities
- International Boycotting Income
- Legal Advice
- Partnerships with foreign partners, forms 8804, 8805, and 8813
- Passive Foreign Investment Company
- Possession Corporations—incorporated in US but operating primarily in US possessions, such as Puerto Rico

- Qualified Electing Funds
- Reorganizations
- Sec 367 rulings
- Sec 482 Adjustments
- Sec 78 gross up
- Startups
- Sub Part F—IRC section 951-964—under ltd circumstances foreign corps do not pay US tax on foreign sourced income
- Tax Planning Questions
- Transfer Pricing—IRC section 482—IRS authority to change prices of goods/services sold between related parties if not arm's length transaction
- Trusts other than grantor
- US Persons Overseas starting a business
- Withholding requirements for nonresident aliens and foreign entities, encompassing Forms 1042-S, W-8 BEN, W-8 IMY, and W-8 EXP.
- Form 8938 Statement of Specified Foreign Financial Assets Foreign Account Tax Compliance Act (FACTA)